

---

## **COUNTY OF SAN BERNARDINO**

This budget covers the period from July 1, 2006 – June 30, 2007. Each department is responsible for operating within their budget and has the authority to spend up to the approved budget amount.

The County of San Bernardino's 2006-07 Proposed Budget consisting of the general fund, restricted financing funds, capital project funds, special revenue funds, and enterprise funds has a total appropriation of \$3.3 billion.

When developing their individual budgets, each department considers the following mission, vision, and value statements of the County of San Bernardino:

### **Mission Statement**

The mission of the government of the County of San Bernardino is to satisfy its customers by providing service that promotes the health, safety, well being, and quality of life of its residents according to the County Charter, general laws, and the will of the people it serves.

### **Vision Statement**

Our vision is to create a safe, clean, and healthy environment that appeals to families and individuals, and attracts the best in business and industry. We will create, support, and enhance vibrant communities that emphasize beauty, culture, art, recreation, education, and a sense of history.

### **VALUES Statement**

To achieve our Vision, we dedicate ourselves to these values:

- **Valuing** our workforce by providing recognition, training and education, opportunities for customer service and career development, a safe and healthy work environment and fair compensation.
- **Appreciation** and promotion of the diverse cultures that comprise our workforce and the communities we serve.
- **Leadership** by coordinating regional planning through collaboration with local communities and businesses.
- **Unquestioned integrity** that embraces a culture of honor and trustworthiness.
- **Excellence** in the development of efficient and cost-effective strategies to improve customer service in an atmosphere that allows and encourages new ideas.
- **Service** of the highest quality to our customers delivered with dignity and respect.

### **Business Plan**

This year, the Board of Supervisors received the County's first Business Plan, distributed in March 2006. This plan document is the new starting point for San Bernardino County's budget process and it is intended to support the annual budget plan by tying the budget to the department's goals and objectives.

Business Plan Workshops were held April 24<sup>th</sup>, 25<sup>th</sup>, May 1<sup>st</sup> and May 2<sup>nd</sup>, 2006. These workshops provided the Board of Supervisors the opportunity to review departmental goals and objectives. Additionally, this was the first occasion for departments to explain how they utilize their allocated resources in terms of meeting projected goals and objectives and what additional resources would be needed for new projects not yet funded.



## General Fund Budget Process

The County Administrative Office has the responsibility of developing the county financing plan for all general fund departments. This plan begins with reviewing the two restricted financing sources, Prop 172 and Realignment. Prop 172 assists in financing the Sheriff, District Attorney, and Probation departments. Realignment assists in financing the general fund departments of Human Services, Behavioral Health, and Public Health. If these financing sources are not sufficient to pay for those departments' costs, then the general fund sources are considered.

The 2006-07 revised financing plan included a total of \$502.5 million in ongoing discretionary revenue for the general fund. This revenue is comprised of property taxes, interest on the county investment pool, sales tax, and other taxes. The financing plan initially allocates increases in these discretionary revenues to fund increases in mandatory costs such as previously negotiated salary increases, previous year's Board approved costs, and other mandated costs. After the mandatory costs are financed, the remaining unallocated discretionary revenue is presented to the Board of Supervisors during the budget workshop for allocation.

Budget workshops are scheduled to be held on May 30<sup>th</sup> and 31<sup>st</sup>, 2006, to discuss each department's proposed budget. Each department submitted a proposed budget based on the general fund financing amount allocated to them in the financing plan and their own departmental revenues. At this time, departments also requested fee adjustments and/or policy items, which include funding requests for those workload and program changes that were unable to be financed in their proposed budget.

Any budgetary changes the Board of Supervisors approve at the budget workshop will be incorporated in the 2006-07 proposed budget that will be presented to the Board during the Budget and Fee Hearing scheduled for June 6, 2006, at 1:30 in the Board Chambers. The Final Budget is scheduled for adoption on June 13, 2006.

This hearing is to obtain public input on the county budget and fee ordinance changes and to obtain additional Board changes to incorporate into the 2006-07 final budget.

## Other Funds Budget Process

In addition to the general fund, the County of San Bernardino has restricted financing funds, capital project funds, special revenue funds, enterprise funds, and internal service funds. All of these funds are restricted to the revenue sources they receive. Each department having these types of funds is responsible for developing its budget based on the revenue resources available to them. These resources include projected revenue to be collected in 2006-07 and any revenue not spent and carried forward from prior years (for example, fund balance for special revenue funds). These budgets will also be discussed during the budget workshop and Budget and Fee Hearing.

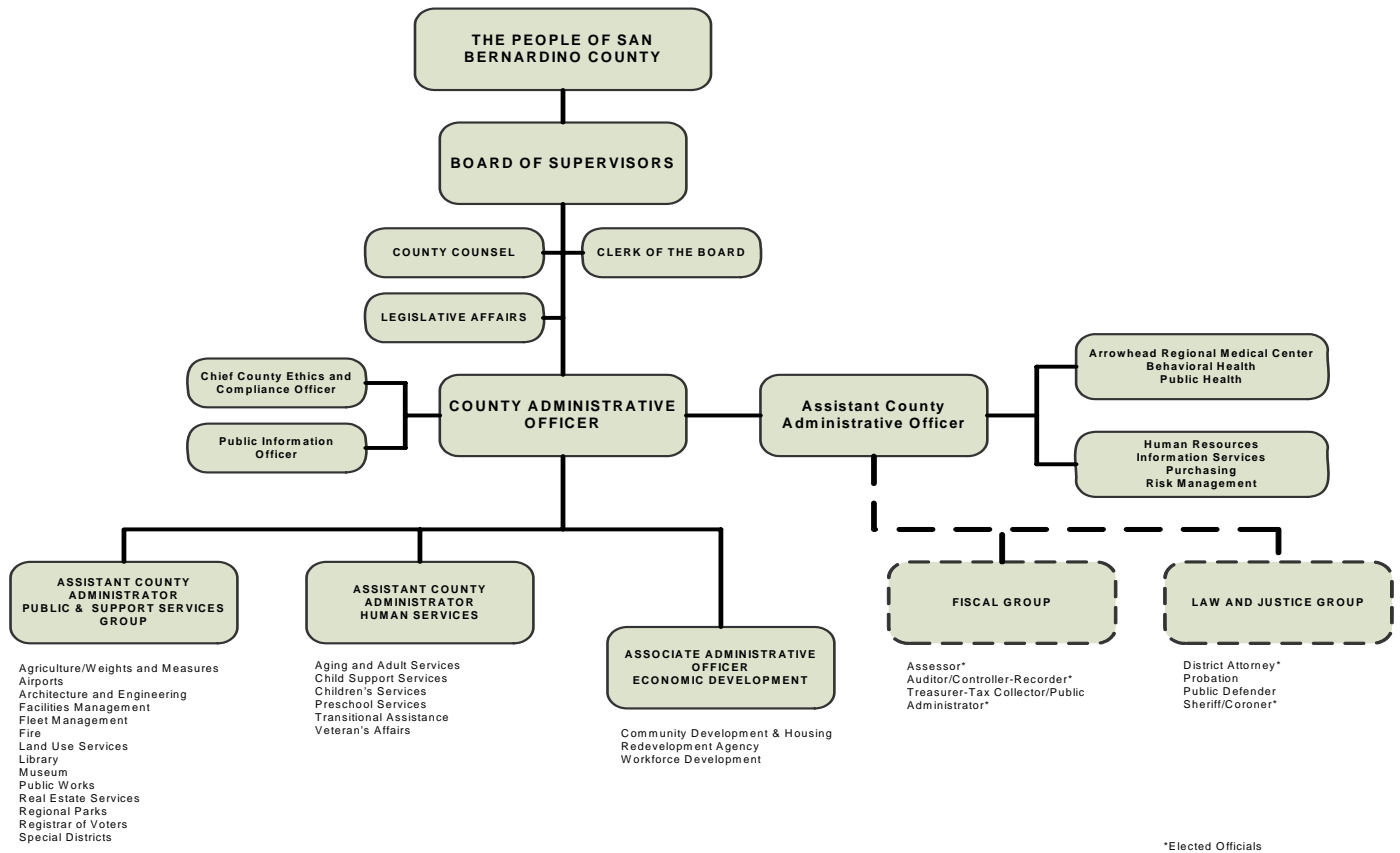
## Budget Workbook Format

The presentation of the County of San Bernardino's 2006-07 Proposed Budget is based on the County Organizational Structure, which is depicted on the next page. The Administrative/Executive Group is comprised of those departments that report directly to the Board of Supervisors or those departments that report directly to the County Administrative Office. This group performs functions related to the overall support of the county.

Budget units presented in this book are displayed at a fund/department level. Although some departments incorporate additional organizational levels when developing their budgets, the fund/department level of presentation was selected to provide consistency between all budget units. A sample of the departmental budget format is shown on pages 4 - 8 of this Preface. This sample further shows and explains how each budget unit is presented in the book.

A list of Budget Book Definitions is provided on pages 9 - 11 of this Preface. This listing defines budget terms commonly used throughout the budget workbook.





## DEPARTMENT Department Head

The department name and responsible administrator are listed at the top.

### MISSION STATEMENT

### STRATEGIC GOALS

Stated goals for which measures can be objectively determined and ultimately linked to performance measures

### ORGANIZATIONAL CHART

Demonstrates the names of key personnel and departmental structure by function, including the Full Time Equivalent's (FTF's)

### SUMMARY OF BUDGET UNITS

Departments that have multiple budget units will have a summary at the front of their section that lists the individual units and budget figures for 2006-07 that they are responsible for.

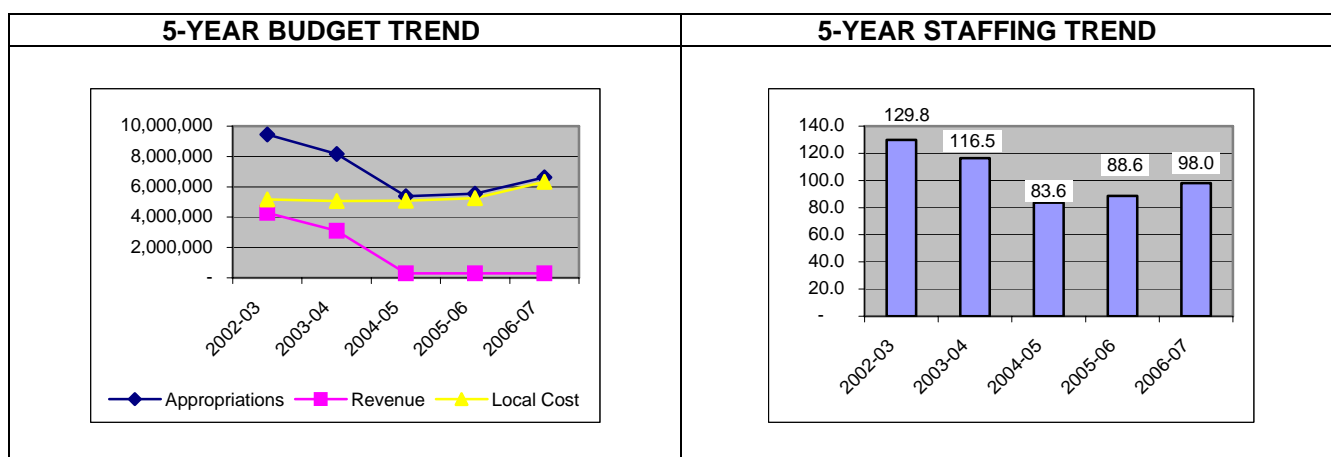
2006-07

	Appropriation	Revenue	Local Cost	Fund Balance	Revenue Over/ (Under) Exp	Staffing
Name of Budget Unit	-	-	-	-	-	-
Name of Budget Unit	-	-	-	-	-	-
Name of Budget Unit	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-

### DESCRIPTION OF MAJOR SERVICES

Description of Major Services provides a narrative describing the function and activity of the budget in question.

### BUDGET HISTORY



These graphs display a visual picture of the department's trends for the proposed year and prior four years in budgeted local cost or fund balance or revenue over/(under), where applicable, and budgeted staffing.



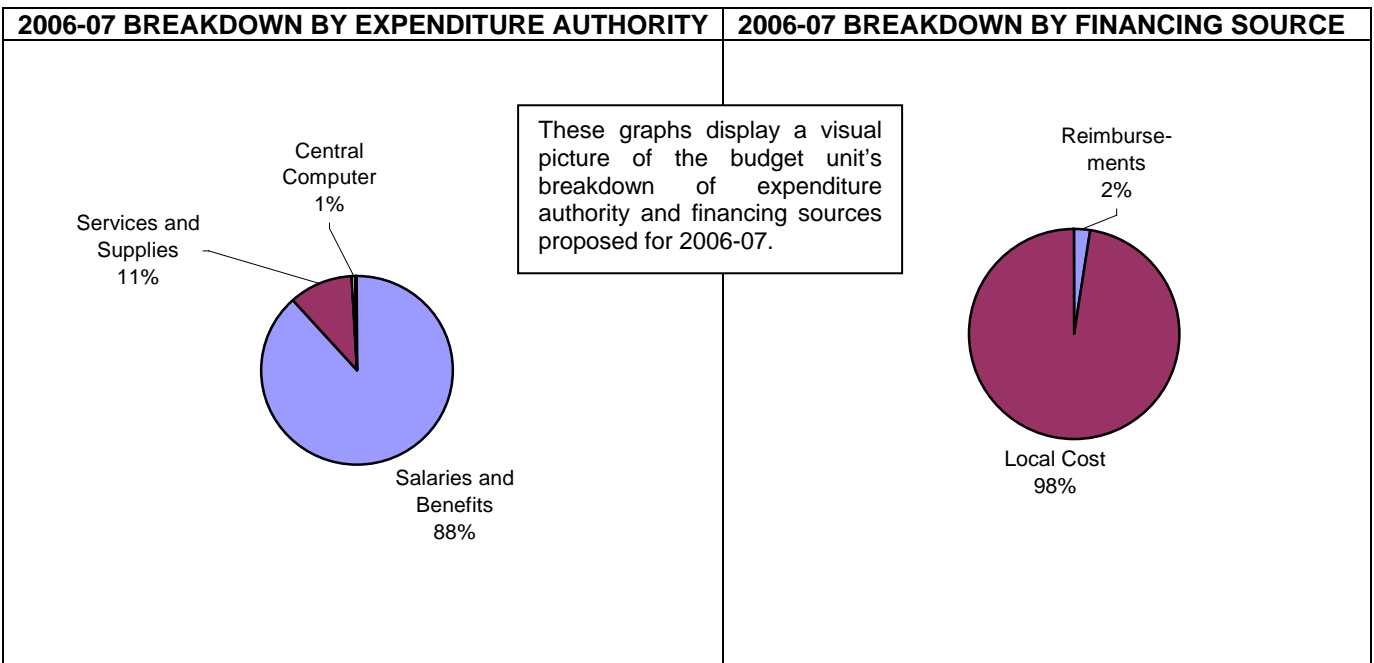
## PERFORMANCE HISTORY

Performance History provides a historical overview of the budget unit, including actuals from 2002-03, 2003-04 and 2004-05, the 2005-06 modified budget and estimates for this year.

	<b>Actual 2002-03</b>	<b>Actual 2003-04</b>	<b>Actual 2004-05</b>	<b>Modified Budget 2005-06</b>	<b>Estimate 2005-06</b>
Appropriation					
Departmental Revenue					
Local Cost					
Budgeted Staffing					

For those departments that have significant variances between modified budget and estimate in 2005-06, there will be an explanation of why this occurred.

## ANALYSIS OF PROPOSED BUDGET



**ANALYSIS OF PROPOSED BUDGET (CONT).**

The header shows which budget you are looking at and lists the Function and Activity that tie this page to the summary financial schedules prepared by the Auditor's Office.

**GROUP: Administrative/Executive**  
**DEPARTMENT:** -  
**FUND:** -

**BUDGET UNIT:** -  
**FUNCTION:** -  
**ACTIVITY:** -

	2002-03 Actual	2003-04 Actual	2004-05 Actual	2005-06 Estimate	2005-06 Final Budget	2006-07 Proposed Budget	Change From 2005-06 Final Budget
<b><u>Appropriation</u></b>							
Salaries and Benefits	-	-	-	-	-	-	-
Services and Supplies	-	-	-	-	-	-	-
Central Computer	-	-	-	-	-	-	-
Other Charges	-	-	-	-	-	-	-
Land and Improvements	-	-	-	-	-	-	-
Equipment	-	-	-	-	-	-	-
Vehicles	-	-	-	-	-	-	-
L/P Struct/Equip/Vehicles	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-
Contingencies	-	-	-	-	-	-	-
Total Exp Authority	-	-	-	-	-	-	-
Reimbursements	-	-	-	-	-	-	-
Total Appropriation	-	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-	-
Total Requirements	-	-	-	-	-	-	-
<b><u>Departmental Revenue</u></b>							
Taxes	-	-	-	-	-	-	-
Licenses and Permits	-	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-	-
Use Of Money and Prop	-	-	-	-	-	-	-
Realignment	-	-	-	-	-	-	-
State, Fed or Gov't Aid	-	-	-	-	-	-	-
Current Services	-	-	-	-	-	-	-
Other Revenue	-	-	-	-	-	-	-
Other Financing Sources	-	-	-	-	-	-	-
Total Revenue	-	-	-	-	-	-	-
Operating Transfers In	-	-	-	-	-	-	-
Total Financing Sources	-	-	-	-	-	-	-
Local Cost	-	-	-	-	-	-	-
Budgeted Staffing	-	-	-	-	-	-	-

This section provides a summary overview of how the budget incrementally progresses from prior year adopted to the current year proposed.



## PERFORMANCE MEASURES

PERFORMANCE MEASURES		
Description of Performance Measure	Estimated 2005-06	Proposed 2006-07
Insert Performance Measure		
Insert Performance Measure		

This schedule is new for the 2006-07 budget year, and describes the department's performance goals for the close of the 2006-07 budget year.

Performance measures are placed with the budget unit to which they specifically apply. This section may not appear when performance measures are not applicable and/or overall department measures appear elsewhere.

Two measures *per department* were required for 2006-07. Departments were allowed discretion to include a 2005-06 estimate baseline if known, so some of these estimate fields may be blank.

## POLICY ITEM REQUESTS

POLICY ITEM REQUESTS						
Rank	Brief Description of Policy Item	Budgeted Staffing	Appropriation	Departmental Revenue	Local Cost	Proposed 2006-07 Performance Measurement
	Policy Item (explanation of policy item, include impacts).	-	-	-	-	
	Proposed Performance Measure					
	Policy Item (explanation of policy item, include impacts).	-	-	-	-	
	Proposed Performance Measure					
	<b>Total</b>	-	-	-	-	

This schedule lists the department's requests for policy items, which are currently not included in their proposed budget request.

These items include requests for approval of new programs or expenditures not currently funded. Items are in rank order and include corresponding proposed performance expectation if funded.

If the department is not requesting any policy items, then this schedule is omitted



**FEE REQUEST SUMMARY**

<b>FEE REQUEST SUMMARY</b>				
<b>Brief Description of Fee Request</b>	<b>Budgeted Staffing</b>	<b>Appropriation</b>	<b>Departmental Revenue</b>	<b>Local Cost</b>
Fee Request (explanation of fee request, include impacts).	-	-	-	-
Fee Request (explanation of fee request, include impacts).	-	-	-	-
Fee Request (explanation of fee request, include impacts).	-	-	-	-
<b>Total</b>	-	-	-	-

This summary describes the fees and fee adjustments requested by the department. These adjustments may include new fees, changes to existing fees, or deletion of existing fees.

Fees requests are not incorporated into the budget until approved by the Board of Supervisors during the budget and fee hearing.

If the department is not requesting any fee adjustments, then this schedule is omitted.





## **BUDGET BOOK DEFINITIONS**

**Activity:** A component within a fund; usually a specific line of work performed to accomplish a function for which a governmental unit is responsible.

**Appropriation:** An appropriation is an authority to spend. It represents the authorization from a specific fund to a specific program to make expenditures/incur obligations for a specified purpose and period of time. The budget contains many appropriations or items. These appropriations are limited to one year, unless otherwise specified. An appropriation represents the authorized expenditure limit for a fund/department unit for the year.

**Base Budget:** This year's base budget represents the prior year approved budget plus mandated cost adjustments such as across-the-board salary increases (MOU), retirement costs, risk management liabilities, and previous year's mid-year Board approved costs.

**Budgeted Staffing:** The number of equivalent positions funded in the budget unit. Also referred to as full-time equivalent (FTE).

**Capital Project Funds:** Capital Project Funds are used to account for financial resources designated for the acquisition or construction of major capital facilities other than those financed by Enterprise and Internal Service Funds.

**Central Computer:** The Central Computer expense category is set up to allocate the Information Services Department's computer charges to departments based on usage. These are countywide costs for computer infrastructure such as email, wide area network, payroll processing, and software/hardware staff support. Each department's Central Computer budget amount is estimated at the beginning of the fiscal year by the Information Services Department and is billed based on that estimate. Next year's budget (2006-07) will be adjusted based upon the actual usage in 2005-06.

**Contingencies:** An amount set aside within a budget for unforeseen expenditure requirements. Board action must be taken to spend contingency funds and a 4/5 vote is required for approval.

**Costs to Maintain Current Program Services:** All non-discretionary budget changes that are factored into the base budget: these include the cost of new mandates and negotiated salary increases. The Board of Supervisors approved these costs for the general fund in the County Administrative Office's financing plan.

**COWCAP:** COWCAP is an acronym for County Wide Cost Allocation Plan. It is the method by which indirect support costs for services such as Human Resources, Payroll, Purchasing, etc. are allocated to departments. It is prepared annually by the County Auditor/Controller-Recorder in accordance with the Office of Management and Budget, Budget Circular A-87, which is the guideline for state and federal reimbursements for indirect costs.

**Department:** An organizational unit used by county management to group programs of a like nature.

**Department Recommended Funded Adjustments:** A proposal by the department to change or implement a new program funded through existing resources that is not currently authorized by the Board.

**Depreciation:** The recording of expiration in the service life of fixed assets attributable to wear and tear, deterioration, action of the physical elements, inadequacy, and obsolescence.

**Discretionary Revenue:** Revenue not legally designated for a specific purpose or program that can be appropriated at the discretion of the Board of Supervisors.

**Employee Health & Productivity Program (EHaP):** A modified duty/return to work program that utilizes specialized nurses to obtain effective and timely treatment for injured or ill employees. Overall goals are to return the employee to the workplace as soon as possible and to increase the health and productivity of employees through health promotion and risk reduction programs.



**Encumbrance:** An obligation placed on an appropriation to pay for goods or services that have been ordered by means of contracts, but not yet received. In other words, the money is tied up. Even though it has not been spent, it cannot be used for any other purpose.

**Enterprise Funds:** Enterprise Funds are established to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through operational revenues.

**Expenditure:** Under the current financial resources measurement focus, decrease in net financial resources not properly classified as other financing uses.

**Fiscal Year (FY):** The County's twelve-month accounting period (July 1 through the following June 30), which varies from the calendar year and the federal fiscal year.

**Fixed Asset:** An asset of a long-term character such as land, buildings, furniture, and other equipment costing \$5,000 or more and having a useful life of one year or more.

**Full-time Equivalent (FTE):** The number of equivalent positions funded in the budget units. Also referred to as budgeted staffing. An equivalent position is calculated by taking the total number of work hours budgeted for the budget unit (excluding overtime) and dividing by 2088, which represents the total number of hours in a work year.

**Function:** A group of related activities aimed at accomplishing a major service for which a governmental unit is responsible. This designation is specified by the State Controller. For example: "Public Protection" is the function of the Sheriff's Department.

**Fund:** A legal unit that provides for the segregation of moneys or other resources in the county treasury for specific activities or obligations in accordance with specific restrictions or limitations. A separate set of accounts must be maintained for each fund to show its assets, liabilities, reserves, and fund balance, as well as its income and expenditures. The assets of a fund may also be placed into separate accounts to provide for limitations on specific fund income or expenditures.

**Fund Balance:** The excess of assets over liabilities, including the cancellation of prior year encumbrances.

**General Fund:** The General Fund is the predominate fund for financing county programs. It is used to account for revenues that are not specifically designated to be accounted for by any other fund. The primary sources of revenue for the general fund are property taxes and other taxes, state and federal aid, current services, and other revenue. The general fund is used as the major funding source for the administrative/executive, economic development/public service, fiscal, human services system, internal services, and law and justice groups.

**General Fund Financing:** Describes the overall process of administering local cost, which is the amount contributed by the county general fund from its discretionary revenue sources to finance the activities of a department.

**Internal Service Funds:** Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the governmental unit on a cost reimbursement basis.

**Local Cost:** Local cost (or general fund financing) is the amount contributed by the county general fund from its discretionary revenue sources to finance the activities of a department.

**Memorandum of Understanding (MOU):** For budget purposes, the MOU refers to a negotiated and approved labor agreement between the county and an employee labor organization or group that details the salary, benefits, and other conditions of employment.

**Mid-year Adjustments:** Board approved changes to a department's budget after the adoption of the final budget.



**Operating Transfers In/Out:** A method of providing financing from one fund to another for the implementation of a project or program.

**Other Charges:** A category of accounts established for expenditures other than salaries and benefits, services and supplies, and fixed assets. Example: Interest expense, public assistance costs, etc.

**Proposed Budget:** The working document of the fiscal year under discussion. Approval of this document does not allow expenditures for fixed assets and for new permanent employee positions unless specifically approved by the Board of Supervisors.

**Proposition 172 (Prop. 172):** A permanent extension of a half-cent Local Public Safety Sales Tax approved by California voters on November 2, 1993. Proceeds of this sales tax must be dedicated to public safety.

**Public Service Employee (PSE):** PSEs are employees assigned to entry-level positions in a variety of fields and occupations for a limited duration. They are not full-time, regular county employees. PSEs are subject to an expedited recruiting process to accommodate additional workload or to handle one-time special projects. They do not receive the full range of benefits or have the civil service status of regular county employees.

**Realignment Funding (Health & Welfare):** In 1991-92 the state approved the Health & Welfare Realignment Program that involves a shift of program responsibilities from the state to the counties. This shift is funded through a corresponding shift of dedicated Sales Tax and Vehicle License Fee revenue.

**Reimbursements:** Amount received as a repayment of the cost of work, or service performed, or of other expenditures made, for or on behalf of another governmental unit or department. Reimbursements represent the recovery of an expenditure and are considered a financing source.

**Restricted Financing Funds:** Restricted financing funds consist of two restricted financing sources – Prop. 172 and Realignment. Prop. 172 revenue assists in financing the Sheriff, District Attorney, and Probation departments. Realignment assists in financing mental health, social services, and health programs within the County.

**Revenue:** The addition of cash or other current assets to governmental funds (receipts) which do not increase any liability or reserve and do not represent the recovery of an expenditure, i.e., reimbursements. Generally, revenue is derived from taxes, licenses and fees, or investment earnings. Revenues are deposited in a fund for future appropriation.

**SB 90 State-Mandated Local Program:** State reimbursements to local governments for the cost of activities required by State legislative and executive acts.

**Special Revenue Funds:** Special Revenue Funds account for the proceeds of specific sources of revenue whereby the use of such revenue is restricted by law for particular functions or activities of government.

**Step Increases:** An employee, based upon the completion of the required service hours in their classification, satisfactory work performance, and appointing authority recommendation, may receive step advancements. Step advancements/increases within the base salary range shall be based on two (2) step increments. Each increment is 2.5%.

**Transfers:** The movement of resources from one fund to another usually for payment of services received.

**Unrestricted Net Assets:** That portion of net assets that is neither restricted nor invested in capital assets (net of related debt).

